

Philippines Benefit Review

Since 1921, the Department of Veterans Affairs has maintained a Regional Office (VARO) in the Republic of the Philippines. Prior to World War II, the VARO was staffed with 17 employees administering the needs of 7,500 veterans throughout the country. As a result of World War II and the large number of veterans potentially eligible for benefits in the Philippines, the VARO has expanded in size to approximately 200 employees.

Each month, VA sends about 16,650 payments totaling approximately \$9.5 million to veterans and their beneficiaries living in the Philippines. These payments are sent in the form of US Government checks and electronic fund transfers.

Over the years, efforts to prevent fraud have been directed at those already receiving VA payments and at those attempting to receive VA payments. The attempts at fraud have involved various methods of altering and forging documents and affidavits, as well as impersonating deceased veterans in order to receive benefits. In addition, there are a number of organized groups of individuals referred to as claims “fixers.” “Fixers,” are unscrupulous individuals who use altered documents to increase beneficiary payments that result in the “fixer” receiving the majority of the increased payment.

In September 2000, the director of the Manila VARO met with the staff of the VA Inspector General (VAOIG) and solicited assistance in combating waste, fraud and abuse in VA payment systems in the region. By October of 2000, “Operation PBR” (Philippines Benefit Review) was launched by the VAOIG, Office of Investigations.

In December 2000, the staff from the VAOIG met with the director of field operations for the Veterans Benefit Administration (VBA) regarding “Operation PBR.” Further briefings to the VA secretary and the under secretary for the VBA, resulted in unanimous support for the project.

The purpose of this Philippines Operational Project is:

1. To conduct a standard verification process for a sampling of VA electronic funds transfers and check recipients.
2. To eliminate checks disbursed to deceased payees.
3. To review large one-time lump sum payments over \$5,000.
4. To partner with the U.S. Secret Service (USSS) to address the problems of altered, forged and stolen U.S. Treasury checks in the Philippines.
5. To develop quality criminal cases in coordination with the Embassy RSO and the Philippine police.

During the first week of March 2001, a fact-finding team from the VAOIG traveled to the Manila VARO and met with the VARO staff. As a result of this trip, an operational plan was developed.

The operational plan was designed to ensure that the review identified all segments of possible waste, fraud and the abuse in VA payment systems. Currently, data is being processed to identify VA beneficiaries in the Philippines who fall into one or more “core” groups (for example, those over 67 years of age; those who received large lump sum payments; or those who altered and cashed checks).

In addition, the VARO in Manila will develop a listing of field examinations that resulted in a denial of a pending application, or that resulted in the termination or reduction of benefits to an existing beneficiary. This data will be helpful in determining the cost effectiveness of the field exam process.

This proactive operation will be conducted by the VAOIG, USSS and VARO personnel in the metro Manila area of the Philippines from October 15, 2001 through November 8, 2001. It will require approximately 4,000 VA

electronic funds transfers and check recipients to personally appear at the U.S. Embassy or other designated facility during that time. The targeted group of VA recipients was mailed information by the VARO and asked to personally appear or risk a suspension of their benefit payments. Recipients will be photographed and fingerprinted upon arrival to confirm their identity. A thorough interview with each recipient will follow.

As of this writing—and prior to the actual visit to the Philippines for the “Operation,”—the VAOIG, working in conjunction with the Department of Veterans Affairs, has already identified 102 deceased beneficiaries who were currently receiving benefits. This was a direct result of the mailing process. The cost savings associated with these 102 deceased beneficiaries are estimated at \$3.5 million.

Also, of the 4,000 letters mailed to VA beneficiaries, there are in excess of 800 letters that have yet to be returned to the Manila VARO. In early September, the VARO will begin the termination process on these accounts.

“Operation PBR” has the expectation and potential to realize millions of dollars in additional savings for the VA. 🏠